

**CITY OF COLTON, CALIFORNIA**

**FERC ELECTRIC TARIFF**

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FERC ELECTRIC TARIFF**

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**CITY OF COLTON, CALIFORNIA  
FERC ELECTRIC TARIFF**

1. **Preamble.** This Transmission Owner Tariff (“TO Tariff”) sets forth the Transmission Revenue Requirement (“TRR”) for the High Voltage Transmission Facilities and Entitlements placed under the Operational Control of the California Independent System Operator Corporation (“CAISO”) by the City of Colton, California (“Colton” or, as used in this TO Tariff, the “Participating TO”) and certain terms and conditions relating to transmission expansion of and Interconnection with Colton’s High Voltage Transmission Facilities and Entitlements placed under the CAISO’s Operational Control.
  
2. **Effective Date.** This TO Tariff is effective on the date on which Colton becomes a Participating TO and shall continue to be effective so long as Colton is a party to the Transmission Control Agreement (“TCA”).
  
3. **TO Definitions.** Certain capitalized terms used in this TO Tariff that are set out immediately below shall have the meanings set out immediately below. Capitalized terms used in this TO Tariff and not defined below shall have the meanings set out in the CAISO Tariff, as it may be amended from time to time.
  - 3.1 **Existing Transmission Contract Pass-through Clause.** The mechanism that adjusts Colton’s Base TRR for changes in the costs associated with certain Existing Transmission Contracts (“ETCs”), consisting of Colton’s projected annual cost of its four ETCs with Southern California Edison Company (“Edison”) for the next calendar year, based upon the Edison High Voltage Existing Contracts Access Charge (“HVECAC”) rate in effect at the time of Colton’s annual ETC filing, plus the true-up (positive or negative) of the prior year’s costs of such ETCs (as invoiced to Colton by Edison during the period of October through September) as compared with the projected ETC cost for the same period, including interest on the true-up amount at the rate computed by the Federal Energy Regulatory Commission (“FERC”) pursuant to 18 C.F.R. § 35.19a.
  
  - 3.2 **Local Regulatory Authority.** In the case of Colton, the Colton City Council.
  
  - 3.3 **MAP Coordinating Committee.** Governing committee of the MAP.
  
  - 3.4 **MAP Joint Ownership Agreement.** That certain agreement entered into by the Mead-Adelanto Project owners, as the same may be revised, amended or supplemented from time to time.

- 3.5 MAP Operation Agreement.** That certain agreement entered into by the Mead-Adelanto Project owners and the Los Angeles Department of Water and Power (“LADWP”), which, among other things, designates LADWP as operation manager for the Mead-Adelanto Project.
- 3.6 Marketplace Administrative Committee.** Governing committee of the Marketplace Substation.
- 3.7 Marketplace Owners.** Each of the Mead-Phoenix Project owners and each of the Mead-Adelanto Project owners, their successors and assigns.
- 3.8 Marketplace Substation.** The common terminal for the Mead-Phoenix Project and the Mead-Adelanto Project, which includes the Marketplace-McCullough 500 kV AC tie line as common facilities, as more fully described in the Marketplace Substation Participation Agreement.
- 3.9 Marketplace Substation Participation Agreement.** That certain agreement entered into by the Marketplace Owners, which provides, among other things, for ownership, construction, operation, maintenance, and rights of use associated with the Marketplace Substation.
- 3.10 Mead-Adelanto Project or MAP.** A 500 kV AC transmission line with termination facilities at the Adelanto Switching Station and Marketplace Substation, as more fully described in the Project Agreements (as defined in the MAP Joint Ownership Agreement) for the Mead-Adelanto Project.
- 3.11 Mead-Phoenix Project or MPP.** A 500 kV AC transmission line interconnecting the Westwing Switchyard, Mead Substation, and Marketplace Substation, as more fully described in the Project Agreements (as defined in the MPP Joint Ownership Agreement) for the Mead-Phoenix Project.
- 3.12 MPP Joint Ownership Agreement.** That certain agreement entered into by the Mead-Phoenix Project owners, as the same may be revised, amended or supplemented from time to time.
- 3.13 MPP Management Committee.** Governing committee of the MPP.
- 3.14 MPP Operation Agreement.** That certain agreement entered into by the Mead-Phoenix Project owners, Salt River Project (“SRP”), and Western Area Power Administration (“Western”), which, among other things, designates SRP and Western as operation managers for the Mead-Phoenix Project.
- 3.15 Transmission Revenue Balancing Account Adjustment (“TRBAA”).** A mechanism established by the Participating TO which will ensure that all Transmission Revenue Credits and other credits specified in Sections 6 and 8 of

Appendix F, Schedule 3 of the CAISO Tariff, flow through to CAISO Tariff and TO Tariff transmission customers.

- 3.16 Transmission Revenue Credit.** All revenues received by the Participating TO from the CAISO for Wheeling service.
- 4. Eligibility.** Transmission service over Colton's High Voltage Transmission Facilities and Entitlements placed under the CAISO's Operational Control shall be provided only to Eligible Customers as defined by the CAISO Tariff. Any dispute as to whether a customer is eligible for wholesale transmission service shall be resolved by the FERC, and any dispute as to whether a Colton End-Use Customer is eligible for service under this TO Tariff shall be resolved by the Local Regulatory Authority. At the present time, there are no Colton End-Use Customers eligible for service under this TO Tariff.
- 5. Access Charges.** The applicable Access Charges are provided in the CAISO Tariff.
- 5.1 Transmission Revenue Requirement.** As set forth in the CAISO Tariff, the Transmission Revenue Requirement for each Participating TO shall be used to develop the Access Charges set forth in the CAISO Tariff. Colton's Transmission Revenue Requirement is set forth in Appendix I.
- 5.2 Transmission Revenue Balancing Account Adjustment ("TRBAA").** The Participating TO shall maintain a Transmission Revenue Balancing Account ("TRBA") that will ensure that all Transmission Revenue Credits and the refunds, specified in Sections 6 and 8 of Appendix F, Schedule 3 of the CAISO Tariff, flow through to transmission customers. The TRBAA shall be equal to:

$$TRBAA = TRC_F + TRC_T + I$$

$TRC_F$  = The forecast of Transmission Revenue Credits for the following calendar year.

$TRC_T$  = The balance representing the prior period difference between the projected Transmission Revenue Credits and the actual credits.

$I$  = The interest balance for the TRBA, which shall be calculated using the interest rate pursuant to Section 35.19(a) of FERC's regulations under the Federal Power Act (18 CFR Section 35.19(a)). Interest shall be calculated based on the average TRBA principal balance each month, compounded quarterly.

The Colton TRBAA, calculated in accordance with the CAISO Tariff, is stated in Appendix I.

6. **Ancillary Services--Applicability and Charges.** If any Ancillary Services are required, Colton will not provide such services, but the transmission customer will be required to meet any such requirement in accordance with the CAISO Tariff.
7. **Billing and Payment.**
  - 7.1 The CAISO, in accordance with the CAISO Tariff, shall pay the Participating TO, among other things, Wheeling and Access Charge revenues in accordance with the CAISO Tariff.
  - 7.2 Users of Colton's High Voltage Transmission Facilities and Entitlements placed under the CAISO's Operational Control shall pay to the CAISO all applicable charges in accordance with the CAISO Tariff.
8. **Expansion and Interconnection for Colton's Interests in MPP, MAP, and Marketplace Substation.** Expansion of and/or Interconnection to the High Voltage Transmission Facilities presently placed under the CAISO's Operational Control by Colton, which consist of Colton's minority interests in the MPP, MAP, and the Marketplace Substation, require approval of the owners and/or the management committees of those facilities. Therefore, Colton does not have the legal authority to compel expansion and/or Interconnection. Colton will submit, or assist in the submission of, expansion and/or Interconnection requests from third parties to the appropriate governing bodies of a project pursuant to the individual agreements. It is Colton's intent to facilitate the submission of such requests to the full extent allowed by the agreements governing or otherwise applying to those projects and the applicable laws and regulations. Third parties making such requests will be responsible for reimbursing all reasonable expenses incurred by Colton in facilitating submission of such requests to such governing bodies.
  - 8.1 **Expansion**
    - 8.1.1 **Mead-Adelanto Project.** Pursuant to Section 11.4 of the MAP Operation Agreement, the Project Coordinating Committee may consider increasing the available transmission capability of the transmission line.
    - 8.1.2 **Mead-Phoenix Project.** Pursuant to Section 11.4 of the MPP Operation Agreement, the Project Management Committee may consider increasing the available transmission capability of the transmission line.
    - 8.1.3 **Marketplace Substation.** Pursuant to Section 10.6 of the Marketplace Substation Participation Agreement, the Administrative Committee may consider increasing the capability of the Substation.

**8.2 Interconnection**

**8.2.1 Mead-Adelanto Project.** Pursuant to Section 6.2.10 of the MAP Joint Ownership Agreement, the Project Coordinating Committee has the power to approve and designate contracts.

**8.2.2 Mead-Phoenix Project.** Pursuant to Section 6.2.10 of the MPP Joint Ownership Agreement, the Project Management Committee has the power to approve and designate contracts.

**8.2.3 Marketplace Substation.** Pursuant to Section 13 of the Marketplace Substation Participation Agreement, any entity may interconnect transmission lines at the Marketplace Substation subject to approval by each Marketplace Owner and execution of an Interconnection agreement between the Marketplace Owners and the requesting entity.

**8.3 Project Managers and Operators.** Each transmission project in which Colton has Entitlements has a project manager and an operating agent or manager. They are as follows and can be contacted in connection with any request for expansion or Interconnection.

	Project Manager	Operating Agent
Mead-Phoenix Project	SRP, Western	SRP, Western
Mead-Adelanto Project	LADWP	LADWP
Marketplace Substation	LADWP	LADWP

**8.4 CAISO Tariff Provisions for Expansion and Interconnection.** As stated above, Colton does not have the legal authority to compel expansion and Interconnection with respect to its minority interests in the MPP, MAP, or the Marketplace Substation. If the situation changes and Colton has the legal authority to effectuate expansion and/or Interconnection of transmission facilities, including the MPP, MAP, Marketplace Substation, or any transmission facilities or Entitlements that may be acquired in the future and placed under the Operational Control of the CAISO, Colton shall comply with applicable provisions of the CAISO Tariff governing expansion and/or Interconnection of such facilities to the extent consistent with applicable laws, regulations, and contractual agreements.

**9. Uncontrollable Forces and Indemnification.**

**9.1 Uncontrollable Force.** No entity will be considered in default as to any obligation under this TO Tariff, other than the obligation to pay the Participating

TO's TRR, if prevented from fulfilling the obligation due to the occurrence of an Uncontrollable Force.

**Procedures to Follow if Uncontrollable Force Occurs.** In the event of the occurrence of an Uncontrollable Force which prevents the Participating TO or a Market Participant taking service pursuant to this TO Tariff (hereinafter referred to in this Section 9.1 as the "Claiming Party") from performing any of its obligations under this TO Tariff, the Claiming Party shall (i) immediately notify the CAISO in writing of the occurrence of such Uncontrollable Force, (ii) not be entitled to suspend performance in any greater scope or longer duration than is required by the Uncontrollable Force, (iii) use its best efforts to mitigate the effects of such Uncontrollable Force, remedy its inability to perform, and resume full performance hereunder, (iv) keep the Participating TO (if the Claiming Party is not the Participating TO) and the CAISO apprised of such efforts on a continual basis and (v) provide written notice of the resumption of performance hereunder. Notwithstanding any of the foregoing, the settlement of any strike, lockout, or labor dispute constituting an Uncontrollable Force shall be within the sole discretion of the Participating TO or Market Participant, as the case may be, involved in such strike, lockout, or labor dispute and the requirement that the Claiming Party must use its best efforts to remedy the cause of the Uncontrollable Force and mitigate its effects and resume full performance hereunder shall not apply to strikes, lockouts, or labor disputes. No default as to any obligation under this TO Tariff shall be deemed to exist if the Claiming Party is prevented from fulfilling the obligation due to the occurrence of an Uncontrollable Force.

- 9.2 Indemnification.** A Market Participant shall at all times indemnify, defend, and hold the Participating TO harmless from any and all damages, losses, claims, (including claims and actions relating to injury or to death of any person or damage to property), demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Participating TO's performance of its obligations under this TO Tariff on behalf of a Market Participant, except in cases of gross negligence or intentional wrongdoing by the Participating TO.
- 10. Regulatory Filings.** Nothing contained herein shall be construed as affecting, in any way, the right of Colton to unilaterally make application to FERC as it deems necessary and appropriate to recover its TRR, or for a change in its terms and conditions, including changes in rate methodology, or for a change in designation of transmission facilities and Entitlements to be placed under the CAISO's Operational Control, pursuant to the applicable FERC rules, regulations, policies, and governing statutes.
- 11. Miscellaneous.**
- 11.1 Notices.** Any notices, demand, or request in accordance with this TO Tariff, unless otherwise provided in this TO Tariff, shall be in writing and shall be deemed properly served, given, or made: (i) upon delivery if delivered in person,



(ii) five days after deposit in the mail if sent by first class United States mail, postage prepaid, (iii) upon receipt of confirmation by return electronic facsimile if sent by facsimile, or (iv) upon delivery if delivered by prepaid commercial courier service, in each case addressed as set forth in Appendix II. The Participating TO may at any time, by giving notice to the CAISO, change the designation or address of the person specified in Appendix II to receive notice on its behalf.

**11.2 Waiver.** Any waiver at any time by any entity of its rights with respect to any default under this TO Tariff, or with respect to any other matter arising in connection with this TO Tariff, shall not constitute or be deemed a waiver with respect to any subsequent default or other matter arising in connection with this TO Tariff. Any delay short of the statutory period of limitations in asserting or enforcing any right shall not constitute or be deemed a waiver.

### **11.3 Confidentiality.**

**11.3.1 Maintaining Confidentiality if Not for Public Disclosure.** The Participating TO shall maintain the confidentiality of all of the documents, data, and information provided to it by any other entity that such entity may designate as confidential, provided, however, that the information will not be held confidential by the Participating TO if (i) the designating entity is required to provide such information for public disclosure pursuant to this TO Tariff or applicable regulatory requirements, or (ii) the information becomes available to the public on a non-confidential basis (other than from the Participating TO).

**11.3.2 Disclosure of Confidential Information.** Notwithstanding anything in this Section 11 to the contrary, if any entity is required by applicable laws or regulations, or in the course of administrative or judicial proceedings, to disclose information that is otherwise required to be maintained in confidence pursuant to this Section 11, the entity may disclose such information; provided, however, that as soon as such entity learns of the disclosure requirement and prior to making such disclosure, such entity shall notify the designating entity of the requirement and the terms thereof. The designating entity may, at its sole discretion and own costs, direct any challenge to or defense against the disclosure requirement and the disclosing entity shall cooperate with such designating entity to the maximum extent practicable to minimize the disclosure of the information consistent with applicable law. The disclosing entity shall cooperate with the designating entity to obtain proprietary or confidential treatment of confidential information by the person to whom such information is disclosed prior to any such disclosure.

- 11.4 Titles.** The captions and headings in this TO Tariff are inserted solely to facilitate reference and shall have no bearing upon the interpretation of any of the rates, terms, and conditions of this TO Tariff.
- 11.5 Severability.** If any term, covenant, or condition of this TO Tariff or the application or effect of any such term, covenant, or condition is held invalid as to any person, entity, or circumstance, or is determined to be unjust, unreasonable, unlawful, imprudent, or otherwise not in the public interest, by any court or government agency of competent jurisdiction, then such term, covenant, or condition shall remain in force and effect to the maximum extent permitted by law, and all other terms, covenants, and conditions of this TO Tariff and their application shall not be affected thereby but shall remain in force and effect. Entities shall be relieved of their obligations only to the extent necessary to eliminate such regulatory or other determination, unless a court or governmental agency of competent jurisdiction holds that such provisions are not severable from all other provisions of this TO Tariff.
- 11.6 Preservation of Obligations.** Upon termination of this TO Tariff, all unsatisfied obligations arising under this Tariff shall be preserved until satisfied.
- 11.7 Governing Law.** This TO Tariff shall be interpreted, governed by, and construed under the laws of the State of California, without regard to the principles of conflict of laws thereof, or the laws of the United States, as applicable, as if executed and to be performed wholly within the State of California.
- 11.8 Appendices Incorporated.** The appendices to this TO Tariff are attached to this TO Tariff and are incorporated by reference as if fully set forth herein.
- 11.9 Consistency with CAISO Tariff.** This TO Tariff is intended to be consistent with the CAISO Tariff, and, if necessary, shall be amended to conform with any changes required in any final order of the FERC.
- 11.10 Disputes.** Except as limited by law, the CAISO ADR Procedures shall apply to all disputes that arise under this TO Tariff, except that the CAISO ADR Procedures set forth in Section 13 of the CAISO Tariff shall not apply to disputes as to whether rates and charges set forth in this TO Tariff are just and reasonable under the FPA.
- 11.11 CAISO Grid Deliverability.** To the extent necessary to facilitate an evaluation of Full Capacity Deliverability Status, as such term is defined in the CAISO Tariff, for any resource connected to the Participating TO's facilities, the Participating TO shall coordinate with the CAISO to perform the necessary Deliverability Assessment for such resource. The Participating TO and the owner of the resource shall execute the necessary agreements with the CAISO for the reimbursement of study costs the CAISO incurs and to assure cost attribution for

any Network Upgrades relating to any deliverability status conferred on the resource consistent with the terms of the CAISO Tariff. Unless the Participating TO elects to fund study costs and/or the Network Upgrade costs, such costs shall be solely funded by the owner of the resource requesting Full Capacity Deliverability Status.

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**APPENDIX I**

**Transmission Revenue Requirement and TRBAA**

The Colton HV Base TRR is \$\_\_\_\_\_ and is composed of the following components:

Base TRR included in ETC Pass-through Clause:	\$ _____
ETC Pass-through Clause True-Up from Prior Year:	\$ _____
Base TRR excluded from ETC Pass-through Clause:	\$ _____
Colton HV Base TRR	\$ _____

The TRBAA is [positive/negative] \$\_\_\_\_\_ for calendar year 2013 and has been computed in accordance with the CAISO Tariff.

Colton's HVTRR is \$\_\_\_\_\_.

Colton's Gross Load, consistent with its TRR(s), used by the CAISO to develop the Transmission Access Charge is 339,466 MWh.

All of Colton's transmission facilities and Entitlements placed under the CAISO's Operational Control are High Voltage Facilities as defined by the CAISO Tariff.

The TRBAA will be recalculated annually consistent with the CAISO Tariff and provided to the CAISO.

Note: Values left blank in this Appendix I will be provided in the final version of Colton's TO Tariff to be filed with the FERC as described in Sections 8 and 9 of Colton's PTO Application.

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**APPENDIX II**

**NOTICES**

**Designated Representative:**

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Electric Utility Director  
City of Colton  
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Colton, California 92324

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**Alternate Representative:**

City Clerk  
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Colton, California 92324